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FILE SHOULD BE AMONG
THOSE DOWNSTREAM

CONFIDENTIAL

THIS AGREEMENT made the 21st day of January, 1985

BETWEEN:

GENSTAR CEMENT LIMITED
7777 Ross Road
Delta, British Columbia
V4K 3S6.

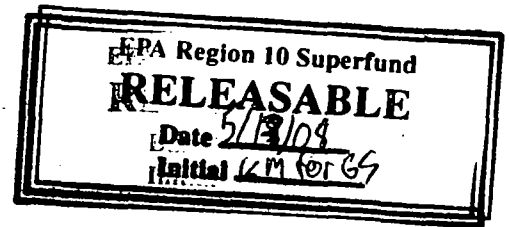
(hereinafter called the "Seller")

OF THE FIRST PART

AND:

ASH GROVE CEMENT WEST, INC.
111 S.E. Madison Street
Portland, Oregon,
U.S.A. 92714.

(hereinafter called the "Purchaser")



OF THE SECOND PART

WHEREAS the parties hereto desire to enter into an Agreement ("Purchase Agreement") whereby the Purchaser will buy and the Seller will sell clinker ("Clinker") on the terms and conditions hereinafter described.

NOW THEREFORE IN WITNESS WHEREOF and in consideration of the sum of Ten Dollars (U.S.) (\$10.00) and other good and valuable consideration now given by each party to the other (receipt of which is acknowledged by each party hereto), the parties hereto agree as follows:

1. Description

Type I Clinker shall have the qualities which will enable the Purchaser to produce Type I cement conforming to the requirements of ASTM C150, using conventional cement grinding techniques and additives. The Clinker shall conform to the typical analysis and meet the maximum and minimum requirements as set forth in Exhibit "A" and attached hereto.

Type II Low Alkali Clinker shall have the qualities which will enable the Purchaser to produce Type II Low Alkali Cement conforming to the requirements of ASTM C150, the Standard Specification of Portland Cement AASHTO Designation M85 using conventional cement grinding techniques and additives. The clinker shall conform to the typical analysis and meet the maximum and minimum requirements as set forth in Exhibit "B" and attached hereto.

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2. Term

The term extends from the day during which the 150,000th ton is purchased under the previous agreement dated June 1, 1984 for a period of three years.

3. Quantity and Schedules

The Purchaser shall purchase from the Seller and the Seller shall sell to the Purchaser 90% of the Purchaser's Seattle plant Clinker requirements during the term of this Purchase Agreement. Quantities shall be at the Purchaser's option but are not to exceed 30,000 tons per month unless the Seller agrees.

Each week during the term of this Purchase Agreement the Purchaser shall provide the Seller with a forecast of his Clinker requirements, by type of Clinker, for the ensuing four weeks.

The Purchaser shall use his best efforts to minimize the number of switches between Clinker types (i.e. he will take as many consecutive shipments of one type of Clinker as is practical before switching to the other type).

4. Price

The prices C.I.F. Purchaser's dock, in suitable vessel are as follows:

Type I or Type II Clinker

1st Year	U.S. \$41.00 per ton
2nd Year	U.S. \$43.00 per ton
3rd Year	U.S. \$45.00 per ton

In each year of this agreement when purchases exceed 250,000 tons, Seller will credit Purchaser \$1.00 per ton for all purchases made during that year. If Seller at any time during this agreement makes sales of clinker to a third party at a price per ton F.O.B. Vancouver, B.C. less than provided in this agreement, then such lower price will be the price charged Purchaser. *car*

5. Terms of Payment

The full amount is due on the 30th day of the month following the Invoice Date. *fu*

6. Extension of Term

On or before September 1, 1987, the Seller and the Purchaser shall negotiate prices and tonnages of Clinker for the next agreement. If agreement cannot be reached by January 1, 1988 this Purchase Agreement shall terminate at the end of the agreement term.

7. Special Conditions

Exhibit "C" is attached hereto, and by reference, incorporated herein.

8. Force Majeure

Neither party shall be deemed to be in default and neither shall be liable for the non-performance of any covenant, agreement or obligation in this Purchase Agreement if such non-performance is directly caused by any event beyond the reasonable control of the parties whose performance is affected, despite best efforts and viewed in utmost good faith, including but not limited to the following: fire, storm, snow or ice conditions, flood, war, hostilities, sabotage, blockage, explosion, accident, strike, lockout, work stoppage or slowdown, labour disturbance, riot, rebellion, insurrection, Act of God or the Queen's enemies, act of any governmental authority, expropriation of or breakdown of or injury to any facilities used in the manufacture, storage, handling or delivery of Clinker and cement or raw materials used in the manufacture or production of Clinker and cement, failure of supply of raw materials or fuels used in or for the manufacturing or delivery of Clinker and cement, or compliance with any applicable valid law, rule, regulation, order, reasonable request or threat of action of any governmental authority.

If the performance of either party hereunder is excused by reason of the happening of an event or events as specified above for any consecutive three (3) month period, then either party shall have the right to terminate this Purchase Agreement by giving written notice to the other party, specifying therein the effective date of termination which shall not be less than (30) days after the date of the notice.

If the quantities of Clinker sold or delivered hereunder are reduced, as a result of an event of Force Majeure, the party for whose benefit such non-performance applies, shall promptly notify the other of the occurrence of such Force Majeure event or events and provide sufficient information concerning the event and impact as to enable the other party to assess as accurately as possible the full impact of such occurrence upon that party's production or deliveries as the case may be and shall use diligence to correct the cause of such disability and resume performance hereunder as soon as possible. The quantities of clinker purchased by purchaser from another source because of Force Majeure shall be deemed as purchased from the seller. *True*

9. Deliveries - Genstar Barge

Deliveries of Clinker pursuant to this Purchase Agreement shall be made free alongside the Purchaser's Seattle Dock. It shall be the Seller's responsibility to provide vessels which can be unloaded at a minimum rate of 500 t/h directly into the Purchaser's existing clinker receiving facility and to direct the trimming of the vessel during loading. The Purchaser shall remove Clinker from the vessel.

Deliveries - Genstar Barge (continued)

The Seller shall provide reasonable advance notice of arrival time of vessel, and the Purchaser shall use its best efforts to accommodate such vessel promptly for unloading alongside its dock. The Purchaser shall schedule all arrivals at the dock so as to minimize any delay between such arrival at the receiving dock and the commencing of unloading of Seller's vessels.

Prices quoted include unlimited free-time for offloading commencing with the vessel's captain giving notice that he is "ready to discharge" after mooring at the Purchaser's Seattle dock. Should the Purchaser's Seattle dock be unavailable for mooring at the time the vessel's captain is ready to dock upon arrival in the vicinity of the Purchaser's Seattle dock then a demurrage charge will apply until such time as the Purchaser's dock becomes available for mooring. The owner of the vessel has quoted the Seller \$250.00 per hour U.S. funds for delays which are not attributable to the vessel's equipment, captain or crew. The Purchaser shall reimburse the Seller for such demurrage or other documented out-of-pocket costs actually incurred by the Seller and directly attributable to the Purchaser. It is agreed that the Purchaser will be given full opportunity to dispute any such charges prior to settlement between the Seller and the owner of the vessel or any other person making claims. The Seller shall invoice the Purchaser for any demurrage charge within 30 days of the demurrage charges being incurred.

The Purchaser will not charge for storing the vessel at the Purchaser's Seattle dock. The Purchaser will notify Seller when unloading is complete. The Purchaser will advise Seller 72 hours in advance of required loading time(s). The Purchaser will care for, control, and have the barge in its custody and will suitably insure and hold the barge safe and in suitable berth always afloat while the barge is at Purchaser's Seattle dock.

The Purchaser will modify the receiving hopper at its Seattle dock to receive clinker from a suitable conveyor mounted on the vessel supplied by the Seller. The Seller will provide a modified vessel unloading system as agreed to by the Purchaser. The Purchaser and the Seller agree that a vessel of approximately 8,500 tons cargo capacity will be supplied with one Front End Loader of approximately seven cubic yard bucket to allow the Purchaser to operate and unload the vessel. The costs of ownership or leasing and maintenance of the Front End Loader will be shared equally by the Purchaser and the Seller. The Purchaser shall have the responsibility at its sole cost, of paying Operator or Operators of the Front End Loader and effecting the placing of the Clinker on to the said suitable conveyor by means of the Front End Loader. Purchaser shall have the responsibility of maintaining the Front End Loader in good operating condition.

9(a). Deliveries - Self Unloading Barge "L'Etoile"

Supply of Clinker pursuant to this Purchase Agreement in the "L'Etoile" shall be delivered into the shore hopper at the Purchaser's Seattle Dock. It shall be the Seller's responsibility to provide the "L'Etoile" which can be unloaded directly into the Purchaser's existing clinker receiving facility and to direct the trimming of the vessel during loading. The Purchaser shall receive Clinker from the vessel as promptly as the vessel can unload but in any event the receiving rate will not exceed the designed rate of the receiving system, estimated to be 800 tons per hour.

The Seller shall provide reasonable advance notice of arrival time of vessel, and the Purchaser shall use its best efforts to accommodate such vessel promptly for unloading alongside its dock. The Purchaser shall schedule all arrivals at the dock so as to minimize any delay between such arrival at the receiving dock and the commencing of unloading of Seller's vessels.

Prices quoted include ten hours free-time for offloading commencing with the vessel's captain giving notice that he is "ready to discharge" after mooring at the Purchaser's Seattle dock. Should the Purchaser's Seattle dock be unavailable for mooring then free-time shall commence with the vessel's captain giving notice that he is "ready to dock" after arrival in the vicinity of the Purchaser's Seattle dock. Having commenced, free-time shall be continuous until the complete cargo has been discharged, except for delays attributable to the vessel's equipment, captain or crew.

The owner of the vessel has quoted the Seller \$250.00 per hour U.S. funds for delays beyond the ten-hour free-time which are not attributable to the vessel's equipment, captain or crew. The Purchaser shall reimburse the Seller for such demurrage or other documented out-of-pocket costs other than barge charges actually incurred by the Seller and directly attributable to the Purchaser. It is agreed that the Purchaser will be given full opportunity to dispute any such charges prior to settlement between the Seller and the owner of the vessel or any other person making claims. The Seller shall invoice the Purchaser for any charge claimed in this paragraph within 30 days of the charges being incurred. *[Handwritten initials]*

The Purchaser agrees to pay the Seller an additional U.S. \$0.50 per ton for all clinker shipped to the Purchaser in the barge "L'Etoile".

10. Seller's Warranty

The Seller hereby warrants to Purchaser as follows; that the Clinker shall be at least equal to the respective specifications set forth in Exhibits "A" and "B" and tested in accordance with Exhibit "C" attached to this Purchase Agreement and by this reference incorporated herein, for such types and shall be of no lesser quality than Clinker which the Seller sells from its Tilbury Island Plant to any customers in Washington, Oregon or Alaska, or which the Seller consumes in cement produced for supply to the British Columbia market. The Seller shall not be limited by the above warranty in its design and supply of Clinker(s) chemistry for supply to other customers.

11. Measurement of Quantity of Shipment

Prior to loading each shipment of Clinker the vessel carrying Clinker shall be draft surveyed by a licensed marine surveyor mutually acceptable to both parties. After loading the said shipment, the said vessel shall again be surveyed in the same manner. The surveys before and after loading shall be used to establish the quantity of Clinker delivered to the Purchaser by the Seller under this Purchase Agreement. The cost of these surveys shall be borne equally by the parties. The Purchaser shall have the option of surveying the vessel to determine weight of cargo at Seattle at his own expense and Seller shall provide the Purchaser displacement tables for the vessels used. If any such measurements lead to a dispute, the dispute shall be resolved under the arbitration provision under Article 15.

12. Termination

Should either party default under any term or condition herein contained, the other party may give notice in writing to the defaulting party specifying the nature of the default. In the event that the said default is not rectified within sixty (60) days (or 30 days in the event of the default being in respect to payment to the Seller of the purchase price of Clinker hereunder), subject to the further provisions of paragraph ten (10) of this Purchase Agreement, then the non-defaulting party may, by written notice to the defaulting party, terminate this Purchase Agreement, and in such event this Purchase Agreement shall be terminated as of the date specified in the Notice last mentioned, but such date shall not be earlier than three (3) days following the mailing thereof.

Termination of this Purchase Agreement under this paragraph, shall not in any way limit or preclude either party from seeking and recovering from the other party any damages or other sums arising out of this Purchase Agreement prior to such termination or arising by reason of the breach of any term or condition hereof or by reason of the premature termination of this Purchase Agreement because of the default of the other party.

13. Assignability

Neither the Seller nor the Purchaser shall assign, in whole or in part, this Purchase Agreement, or any right or obligation contained therein to any other party without the written consent of the other party hereto, which consent shall not be unreasonably withheld.

14. Jursidiction of Agreement

This Purchase Agreement shall be construed in accordance with the laws of the State of Washington, U.S.A.

15. Arbitration

Any dispute between the parties arising out of this Purchase Agreement, if unresolved ninety (90) days after the dispute first arose, may be referred by either party to arbitration in accordance with the Arbitration Act of the State of Washington or any amendment or re-enactment thereof in force at the time in question. *awf*

In the event of a reference to arbitration as aforesaid, this Purchase Agreement shall, for the purposes of the Act, be deemed to be a submission to arbitration. The reference shall be to three arbitrators, one to be appointed by each party, and the third to be appointed by such two arbitrators or, if such arbitrators cannot agree as to a third arbitrator, then by any Judge of a Trial in the State of Washington upon application of either party. Such arbitration shall be held at the City of Seattle and shall be binding on both parties except as otherwise specifically provided in the Purchase Agreement. If no award of costs is made in such arbitration, then the costs shall be borne equally by the parties. *awf*

16. Testing

The testing procedure described in Exhibit "C" shall be applicable in respect of Clinker purchased and sold pursuant to this Purchase Agreement.

17. Passing of the Title

Title and risk of loss to Clinker sold hereunder shall pass to the Purchaser when the Genstar barge is safely moored alongside the Purchaser's Dock.

Title and risk of loss to Clinker sold hereunder shall pass to the Purchaser when Clinker is discharged into Purchaser's receiving facilities when delivered by the barge "L'Etoile" into the shore hopper at the Purchaser's Seattle Dock.

18. Purchase Price Includes Taxes, Duties etc.

Unless otherwise expressly provided elsewhere in this Purchase Agreement, all taxes, duties, tolls, fees, import charges or other governmental exactions*shall be deemed included in the purchase price of the goods, and the Purchaser shall have no liability to pay the Seller any amount in excess of the purchase price specified herein, unless any unknown taxes, duties, tolls, fees, import charges or other Governmental exactions*are imposed subsequent to the date of this Agreement.

* on the clinker *awf*

19. Entire Agreement

This Purchase Agreement, together with any written documents which may be incorporated by specific reference, constitutes the entire agreement between the parties and supersedes all previous communications between them either oral or written. All such previous communications are hereby abrogated and withdrawn and no stipulations, representations or agreements by the Purchaser or any of its officers, agents or employees shall be binding on the Purchaser unless contained in this Purchase Agreement or incorporated herein by reference as above-provided and no local, general or trade customs or previous course of dealing or performance shall alter or vary the terms hereof.

20. Waiver

The waiver by Purchaser of any term, condition or provision herein stated shall not be construed to be a waiver of any other term, condition or provision hereof, nor shall such waiver be deemed a waiver of a subsequent breach of the same terms, condition, or provision, nor shall it be deemed a waiver of any provisions in any subsequent order.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Purchase Agreement on this 21st day of January 1985 *ARW*

GENSTAR CEMENT LIMITED

By *[Signature]*

By _____

ASH GROVE CEMENT WEST, INC.

By *[Signature]*